**NAME: ……………………………………………………… ADM NO: ……………..**

**DATE: ………………….. CLASS: ………………**

**BUSINESS STUDIES**

**FORM 3**

**OPENER EXAMINATION TERM 3, 2022**

**SEP/OCT 2022**

**TIME; 2 HOURS**

**INSTRUCTIONS**

ANSWER ALL THE QUESTIONS IN THE SPACES PROVIDED.

1. Outline four characteristics of services. ( 4 marks)
2. ………………………………………………………………………………….
3. ………………………………………………………………………………….
4. ………………………………………………………………………………….
5. ………………………………………………………………………………….
6. Outline four features of capital as a factor of production. ( 4 marks)
7. …………………………………………………………………………………
8. …………………………………………………………………………………
9. …………………………………………………………………………………
10. …………………………………………………………………………………
11. Highlight four reasons why a farmer would prefer to transport a herd of cattle by rail rather than road. ( 4 marks)
12. ………………………………………………………………………………..
13. ………………………………………………………………………………..
14. ………………………………………………………………………………...
15. …………………………………………………………………………………
16. Highlight four reasons why a manufacturer of technical products would need to use shorter channel to distribute his goods. ( 4 marks)
17. ………………………………………………………………………………
18. ………………………………………………………………………………
19. ………………………………………………………………………………
20. ………………………………………………………………………………
21. Name the type of warehouse associated with each of the statement given below.

( 4 marks)

|  |  |  |
| --- | --- | --- |
|  | **STATEMENT** | **TYPE** |
| a) | Goods can be stored before payment of customs duty |  |
| b) | Individuals can hire storage facilities |  |
| c) | Goods are stored from several manufacturers |  |
| d) | Specialised goods are stored |  |

1. The following balances were extracted from the books of Wanji Traders for the year ended 30th June 2015.

Sh

Debtors 120,000

Creditors 60,000

Machinery 450,000

Cash in hand 70,000

Cash at bank 180,000

5 yearloan 270,000

Stock 60,000

**Prepare a balance sheet of Wanji Traders as at 30th June 2015.** (4 marks)

1. Outline four disadvantages of poor filing of documents in an office. ( 4 marks)
2. ………………………………………………………………………………….
3. ………………………………………………………………………………….
4. ………………………………………………………………………………….
5. …………………………………………………………………………………
6. Outline four circumstances under which a cooperative society may be dissolved. ( 4 marks)
7. …………………………………………………………………………………..
8. …………………………………………………………………………………..
9. …………………………………………………………………………………
10. …………………………………………………………………………………..
11. The table below represent the supply schedule of potatoes for eight weeks in the month of May and June 2015.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| week | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Quantity(metric tonnes) | 505 | 485 | 430 | 375 | 340 | 290 | 215 | 195 |

Outline four causes of the trend in the table. ( 4 marks )

1. ...........................................................................................................................
2. …………………………………………………………………………………
3. …………………………………………………………………………………
4. …………………………………………………………………………………
5. Highlight four ways in which the technological environment may improve the business performance. ( 4 marks)
6. ………………………………………………………………………………..
7. ………………………………………………………………………………..
8. ……………………………………………………………………………….
9. ……………………………………………………………………………….
10. Highlight four features of a monopoly market. ( 4 marks)
11. ……………………………………………………………………………….
12. ……………………………………………………………………………….
13. ………………………………………………………………………………
14. ……………………………………………………………………………….
15. State four functions of commercial attaches. ( 4 marks)
16. ……………………………………………………………………………….
17. ……………………………………………………………………………….
18. ……………………………………………………………………………….
19. ……………………………………………………………………………….
20. On 2nd November 2007, Njeri received an invoice for sh 20,000. Terms of payment were trade discount 5% and cash discount 10 %. If payment is made within 30 days, determine the amount paid if payment was made on 28th November 2007. ( 4 marks)
21. Highlight four causes of change in capital of a business. ( 4 marks)
22. ………………………………………………………………………………
23. ………………………………………………………………………………
24. ………………………………………………………………………………
25. ………………………………………………………………………………
26. Outline four reasons why most companies have adopted use of road shows to promote their products. ( 4 marks)
27. ………………………………………………………………………………..
28. ………………………………………………………………………………..
29. ………………………………………………………………………………..
30. ………………………………………………………………………………..
31. Explain five characteristics of an entrepreneur. ( 10 marks)
32. Explain five factors that may lead to an increase in a country’s national income. ( 10 marks)
33. Explain the procedure for making an insurance claim. ( 10 marks)
34. Explain five types of unemployment. ( 10 marks)